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SUBJECT: Government Wins Parliamentary Confidence Vote, But Cracks
Appear

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¶1. (SBU) Summary: By a 46-22 vote, on October 26 the government easily turned defeated a no confidence motion pushed by the opposition Democratic Party. However, the opposition succeeded in its real aim: winning two days of great publicity for its criticisms of the government. A bonus for the opposition was the spectacle of dissension within the MPRP, including closing remarks by Speaker Nyamdorj which were remarkably critical of the government his party leads. The debate will make it even harder for the Enkhbold government to improve on dismal public approval ratings. Three minor party ministers drew the most fire in Parliament -- including from the Speaker -- doing nothing to end speculation the Prime Minister may jettison them down the road. End summary.

Government Wins Confidence Vote

¶2. (SBU) On October 26, the government easily turned aside a no confidence motion put forward by the opposition Democratic Party. Under the constitution, the parliament must debate a no confidence motion which is put forward by at least one quarter of MPs, or at least 19 out of the 76 MPs. In July, the opposition Democratic Party announced plans to have its 24 MPs table a no confidence motion soon after the Fall session of parliament began in October. The government margin of 46-22 in the October 26 vote was in line with its expected support in State Great Hural. Just over half of MPs, are from the MPRP, while another nine belong to four smaller parties that have joined in the MPRP-led "Government of National Unity."

But the 'Reality Show' Was the Whole Point

¶3. (SBU) The two full days of parliamentary debate on the no confidence motion was broadcast live on television and radio. The anecdotal evidence is that large numbers of Mongolians tuned in to the parliamentary debate, as they did in January when the MPRP brought down the previous coalition government. While defeat in the actual vote was always certain, this highly-publicized 'reality show' -- as many MPs termed the session -- was the whole purpose of the exercise by the opposition party. For two days, the Democratic Party had the public eye on their allegations of corruption and mismanagement against the government. On October 27, a Democratic Party MP told emboffs and visiting EAP/CM desk officer that the result had exceeded his party's hopes.

Cracks Appear

¶4. (SBU) One reason for this verdict was the spectacle of dissension within the MPRP during the debate (although all MPRP MPs duly raised their hands in support of the government). The most

obvious critic was Speaker Nyamdorj, who at one point contradicted the Prime Minister to agree with the opposition statement that the new government had failed to submit its plan of work, as required by the Constitution. Nyamdorj saved his harshest words for a remarkable closing speech just after the vote. Nyamdorj said he regretted the fact that he had observed no sign during the debate the government could listen and learn from criticism. It was no secret, the Speaker said, that the Cabinet lacks discipline, with

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ministers publicly disagreeing with government positions. Moreover, there were examples of ministers using their position to benefit their private interests. The government, he said, had an obligation to draw conclusions about the members of the Cabinet and to end this chaotic situation. Nyamdorj then made clear that his comments were most focused on three minor party Cabinet ministers: Health Minister Gundalai; Minister for Industry and Trade Jargalsaikhan; and Minister for Energy and Fuels Erdenebat.

15. (SBU) Before debate began on October 26, President Enkhbayar (the MPRP leader and Speaker until he took his new office in June 2005) also suggested in his remarks that there might be a need for some ministers to be held to account. During the debate, Gundalai and Jargalsaikhan in particular had had to mount a defense not just against Democratic Party complaints, but also against the comments of MPRP MPs. MPRP MP Gandi, who was Health Minister in the previous government, launched a pointed criticism of Gundalai. MPRP MP Bud commented, "Calling for the dismissal of the government is a political ploy. However, there are things to note. It is true that ministries have been made into private companies."

Debate Will Add to Government's Problems

16. (SBU) In a few days, Mongolia's one reliable political poll will be published. The parliamentary debate will add to recent events which will make it difficult for the MPRP-led government to much improve on the dismal 25% approval rating it held in April; while

the MPRP denounced that poll as slanted, MPRP factions openly lamented the fact that the party's internal polls showed the same result. The Democratic Party used to good advantage in the parliamentary debate the September conviction on corruption charges of former Customs chief Kh. Baatar, who was arrested under Democratic Party PM Elbegdorj's government in October 2005. Baatar's defense in court was that he had kept no money for himself, but had given all the money to the MPRP as donations. An MPRP official (to the obvious after-the-fact consternation of the Prime Minister) confirmed the party had received donations from Baatar. The prosecutor in the case also told the court that Baatar had corruptly given an apartment to O. Enkhuvshin, a Cabinet member from the MPRP. While those allegations have added to public concern about the Enkhbold government, the MPRP can take comfort in most Mongolians' cynical belief the Democrats are little better on corruption.

On to the Budget -- and a Reshuffle?

17. (SBU) Parliament now moves on to the budget, which it should adopt by December 1. With the general election only twenty months away, both government and opposition appear determined to win popularity by throwing money at the electorate. During the no confidence vote debate, Prime Minister Enkhbold highlighted as major achievements for his government sharp increases in civil service salaries and social welfare benefits. The Democrats responded that they had suggested these increases, and would have given more if in office. Poor approval ratings may lead the government to add to the large increases for next year it has already announced.

18. (SBU) There has also been speculation that the government may seek to boost its popularity by jettisoning the problematic Gundalai and Jargalsaikhan, perhaps soon after the budget has passed. The fire the two ministers (and sole MPs for their party) drew during the no confidence vote will add to this speculation, particularly since so many in the MPRP made it clear they also disapproved of the ministers. After a reshuffle, the challenge for PM Enkhbold would be to explain why he should not be held responsible for these

ministers' shortcomings. If a reshuffle does happen, the challenge for the Democrats will be for their MPs to resist any offer by Enkhbold to join in a revamped government. In January, two thirds of the Democratic Party MPs publicly defied party orders to ask to join in Enkhbold's new government. However, the MPs spoke up so late they were rebuffed in the MPRP's rush to get a new government in place before Mongolian New Years. If Enkhbold succeeded in getting Democratic MPs to join a revamped government, the ill-disciplined opposition party would be further split -- but, with the general election looming ever larger, and Enkhbold's government scoring poorly with voters, the attraction of Cabinet posts may have diminished since January.

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